|  |  |  |
| --- | --- | --- |
| **Client:** | **${client}** | |
| **Period end date:** | **${start} - ${end}** | |
| **Ref. no.:** |  | |
| **Prepared by:** | ${user} | **Date:** |
| **Approved by Manager:** | ${manager} | **Date:** |
| **Approved by Partner:** | ${partner} | **Date:** |

# **Guidance (click to expand):**

This purpose of this document is to schedule any problems encountered during the audit, which could have an impact on the audit report.

In case of any yes answers, give details as to their implications for the audit report or any other relevant details.

For detailed guidance on audit conclusions and reporting, refer to the following ISAs:

* ISA 700 (Revised) Forming an Opinion and Reporting on Financial Statements
* ISA 701 Communicating Key Audit Matters in the Independent Auditor’s Report
* ISA 705 (Revised) Modifications to the Opinion in the Independent Auditor’s Report
* ISA 706 (Revised) Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor’s Report
* ISA 710 Comparative Information – Corresponding Figures and Comparative Financial Statements
* ISA 720 (Revised) The Auditor’s Responsibilities Related to Other Information

# **Justification for the Audit Report**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **Yes/No/NA** | **If yes, give details** |
| Have you encountered problems obtaining from the directors all information and explanations necessary for the audit? |  |  |
| Have you confirmed that, or were you unable to conclude whether, the financial statements are materially misstated as a result of fraud? |  |  |
| Is there evidence of non-compliance with laws or regulations that have a material effect on the accounts and have not been properly reflected in the accounts? |  |  |
| Have you had problems obtaining adequate information concerning suspected non-compliance with relevant laws or regulations? |  |  |
| Have you been unable to obtain sufficient appropriate audit evidence regarding the services provided by the service organization relevant to the audit of the user entity’s financial statements? |  |  |
| Have you been unable to obtain sufficient appropriate audit evidence regarding the existence and condition of inventory? |  |  |
| Have management refused to give permission for direct communication with the entity’s legal advisers or the entity’s external legal counsel refuses to respond appropriately to the letter of inquiry, or is prohibited from responding? |  |  |
| Have management unreasonably refused to give permission for the use of external confirmation requests such as the circularization of bank, debtor or creditor balances or third party stock confirmations? |  |  |
| In case of initial audit engagements, have you been unable to obtain sufficient appropriate audit evidence regarding the opening balances? |  |  |
| In case of initial audit engagements, do opening balances contain a misstatement that materially affects the current period’s financial statements, and the effect of the misstatement is not appropriately accounted for or not adequately presented or disclosed? |  |  |
| In case of initial audit engagements, are the current period’s accounting policies not consistently applied in relation to opening balances in accordance with the applicable financial reporting framework? |  |  |
| In case of initial audit engagements, is a change in accounting policies is not appropriately accounted for or not adequately presented or disclosed in accordance with the applicable financial reporting framework? |  |  |
| Does the predecessor auditor’s opinion regarding the prior period’s financial statements included a modification to the auditor’s opinion that remains relevant and material to the current period’s financial statements? |  |  |
| Have management not amended the financial statements (adjustment or disclosure) in circumstances where it is believed that they need to be amended? |  |  |
| Are there any problems with going concern? |  |  |
| Are there any doubts as to the reliability of written representations? |  |  |
| Have the management refused to provide requested written representations? |  |  |
| In case of group audit, where other auditors are involved in the audit of components, are there any instances where their work cannot be relied upon? |  |  |
| In the case of group audit, have you been unable to obtain sufficient appropriate audit evidence from the audit procedures performed on the consolidation process and the work performed by the group engagement team and the component auditors on the financial information of the components? |  |  |
| In the case of group audit, are there any uncorrected misstatements (either identified by the group engagement team or communicated by component auditors)? |  |  |
| Do the financial statements contain material misstatements? |  |  |
| Has there been an inability to obtain sufficient appropriate audit evidence? |  |  |
| Did the audit report in the prior period include a modified opinion and is the matter still unresolved? |  |  |
| Is there evidence that a material misstatement exists in the prior period financial statements on which an unmodified opinion has been previously issued, and the corresponding figures have not been properly restated or appropriate disclosures have not been made? |  |  |
| Are there any material inconsistencies between the financial statements and the directors’ report or any other information to be issued with them? |  |  |
| Have any other problems occurred which could have an impact on the audit report? |  |  |